

**Return of Private Foundation**

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990-PF and its separate instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).**2016****Open to Public Inspection****For calendar year 2016 or tax year beginning****, 2016, and ending****, 20**

Name of foundation <b>KNOWLEDGE AND PROGRESS FUND, INC.</b>		A Employer identification number <b>54-1899251</b>						
Number and street (or P.O. box number if mail is not delivered to street address) <b>1320 NORTH COURTHOUSE ROAD, STE 500</b>	Room/suite	B Telephone number (see instructions) <b>(703) 875-1658</b>						
City or town, state or province, country, and ZIP or foreign postal code <b>ARLINGTON, VA 22201</b>		C If exemption application is pending, check here. <input type="checkbox"/>  D 1. Foreign organizations, check here. <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation. <input type="checkbox"/>  E If private foundation status was terminated under section 507(b)(1)(A), check here. <input type="checkbox"/>  F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here. <input type="checkbox"/>						
G Check all that apply: <table style="display: inline-table; vertical-align: top; margin-left: 10px;"> <tr><td><input type="checkbox"/> Initial return</td><td><input type="checkbox"/> Initial return of a former public charity</td></tr> <tr><td><input type="checkbox"/> Final return</td><td><input type="checkbox"/> Amended return</td></tr> <tr><td><input type="checkbox"/> Address change</td><td><input type="checkbox"/> Name change</td></tr> </table>			<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity	<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return	<input type="checkbox"/> Address change	<input type="checkbox"/> Name change
<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity							
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return							
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change							
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation								
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ <b>14,298,986.</b>		J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)						

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Revenue</b>	1 Contributions, gifts, grants, etc., received (attach schedule) . . . . .				
	2 Check <input checked="" type="checkbox"/> if the foundation is <b>not</b> required to attach Sch. B. . . . .				
	3 Interest on savings and temporary cash investments . . . . .				
	4 Dividends and interest from securities . . . . .	191,373.	191,373.		
	5a Gross rents . . . . .				
	b Net rental income or (loss) . . . . .				
	6a Net gain or (loss) from sale of assets not on line 10 . . . . .	409,049.			
	b Gross sales price for all assets on line 6a <b>409,049.</b>				
	7 Capital gain net income (from Part IV, line 2) . . . . .		409,049.		
	8 Net short-term capital gain. . . . .				
	9 Income modifications . . . . .				
	10a Gross sales less returns and allowances . . . . .				
b Less: Cost of goods sold . . . . .					
c Gross profit or (loss) (attach schedule) . . . . .					
11 Other income (attach schedule) <b>ATCH 1</b> . . . . .	260,771.	12,544.			
12 <b>Total.</b> Add lines 1 through 11 . . . . .	861,193.	612,966.			
<b>Operating and Administrative Expenses</b>	13 Compensation of officers, directors, trustees, etc. . . . .	0.			
	14 Other employee salaries and wages . . . . .				
	15 Pension plans, employee benefits . . . . .				
	16a Legal fees (attach schedule) . . . . .				
	b Accounting fees (attach schedule) <b>ATCH 2</b> . . . . .	10,215.			3,783.
	c Other professional fees (attach schedule) <b>[3]</b> . . . . .	39,685.	39,645.		40.
	17 Interest. <b>ATCH 4</b> . . . . .	36,215.	36,215.		
	18 Taxes (attach schedule) (see instructions) <b>[5]</b> . . . . .	2,493.	2,493.		
	19 Depreciation (attach schedule) and depletion . . . . .				
	20 Occupancy . . . . .				
	21 Travel, conferences, and meetings . . . . .				
	22 Printing and publications . . . . .				
	23 Other expenses (attach schedule) <b>ATCH 6</b> . . . . .	121,632.	47,681.		3,464.
	24 <b>Total operating and administrative expenses.</b> Add lines 13 through 23. . . . .	210,240.	126,034.		7,287.
	25 Contributions, gifts, grants paid . . . . .				
26 <b>Total expenses and disbursements.</b> Add lines 24 and 25 . . . . .	210,240.	126,034.	0.	7,287.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements . . . . .	650,953.				
b <b>Net investment income</b> (if negative, enter -0-) . . . . .		486,932.			
c <b>Adjusted net income</b> (if negative, enter -0-) . . . . .					

<b>Part II Balance Sheets</b>		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1	Cash - non-interest-bearing . . . . .	116,769.	160,067.	160,067.
	2	Savings and temporary cash investments . . . . .	1,325,216.	1,189,894.	1,189,894.
	3	Accounts receivable ▶ 50,000.			
		Less: allowance for doubtful accounts ▶		50,000.	50,000.
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable. . . . .			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) . . . .			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use. . . . .			
	9	Prepaid expenses and deferred charges . . . . .			
	10a	Investments - U.S. and state government obligations (attach schedule). .			
	b	Investments - corporate stock (attach schedule) . . . . .			
	c	Investments - corporate bonds (attach schedule). . . . .			
	11	Investments - land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
<b>Liabilities</b>	12	Investments - mortgage loans . . . . .			
	13	Investments - other (attach schedule) . . . . . ATCH 7	11,344,910.	12,034,295.	12,879,381.
	14	Land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶ ATCH 8 )	19,644.	19,644.	19,644.
	16	<b>Total assets</b> (to be completed by all filers - see the instructions. Also, see page 1, item I) . . . . .	12,806,539.	13,453,900.	14,298,986.
	17	Accounts payable and accrued expenses . . . . .	15,047.	11,455.	
	18	Grants payable. . . . .			
	19	Deferred revenue. . . . .			
	20	Loans from officers, directors, trustees, and other disqualified persons. .			
	21	Mortgages and other notes payable (attach schedule) . . . . .			
	22	Other liabilities (describe ▶ )			
	23	<b>Total liabilities</b> (add lines 17 through 22) . . . . .	15,047.	11,455.	
<b>Net Assets or Fund Balances</b>		<b>Foundations that follow SFAS 117, check here</b> ▶ <input checked="" type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31.</b>			
	24	Unrestricted . . . . .	12,791,492.	13,442,445.	
	25	Temporarily restricted . . . . .			
	26	Permanently restricted . . . . .			
		<b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.</b> ▶ <input type="checkbox"/>			
	27	Capital stock, trust principal, or current funds . . . . .			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund. . . . .			
	29	Retained earnings, accumulated income, endowment, or other funds . .			
	30	<b>Total net assets or fund balances</b> (see instructions). . . . .	12,791,492.	13,442,445.	
	31	<b>Total liabilities and net assets/fund balances</b> (see instructions) . . . . .	12,806,539.	13,453,900.	

**Part III Analysis of Changes in Net Assets or Fund Balances**

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return). . . . .	1	12,791,492.
2	Enter amount from Part I, line 27a. . . . .	2	650,953.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3 . . . . .	4	13,442,445.
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 . . . .	6	13,442,445.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)			(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
<b>1 a</b> SEE PART IV SCHEDULE					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>2</b> Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			<b>2</b>	409,049.	
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8			<b>3</b>	0.	

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2015	5,203,163.	17,054,790.	0.305085
2014	110,596.	19,252,556.	0.005744
2013	4,851,653.	21,643,545.	0.224162
2012	802,617.	25,944,027.	0.030936
2011	25,273.	22,130,774.	0.001142
<b>2</b> Total of line 1, column (d)			<b>2</b> 0.567069
<b>3</b> Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years.			<b>3</b> 0.113414
<b>4</b> Enter the net value of noncharitable-use assets for 2016 from Part X, line 5			<b>4</b> 14,276,285.
<b>5</b> Multiply line 4 by line 3.			<b>5</b> 1,619,131.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b).			<b>6</b> 4,869.
<b>7</b> Add lines 5 and 6.			<b>7</b> 1,624,000.
<b>8</b> Enter qualifying distributions from Part XII, line 4. If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			<b>8</b> 7,287.

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948- see instructions)**

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. . . . . Date of ruling or determination letter: _____ (attach copy of letter if necessary - see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b. . . . .		1	9,739.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) . . . . .		2	
3 Add lines 1 and 2. . . . .		3	9,739.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) . . . . .		4	0.
5 <b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0- . . . . .		5	9,739.
6 Credits/Payments:			
a 2016 estimated tax payments and 2015 overpayment credited to 2016. . . . .	6a	24,506.	
b Exempt foreign organizations - tax withheld at source . . . . .	6b		
c Tax paid with application for extension of time to file (Form 8868). . . . .	6c		
d Backup withholding erroneously withheld . . . . .	6d	224.	
7 Total credits and payments. Add lines 6a through 6d. . . . .	7	24,730.	
8 Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached . . . . .	8		
9 <b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . .	9		
10 <b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . . . .	10	14,991.	
11 Enter the amount of line 10 to be: <b>Credited to 2017 estimated tax</b> 14,991. <b>Refunded</b> . . . . .	11		

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . . . .		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? . . . . . <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		X
c Did the foundation file <b>Form 1120-POL</b> for this year? . . . . .		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ 0. (2) On foundation managers. ► \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . . <i>If "Yes," attach a detailed description of the activities.</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i> . . . . .		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .	X	
b If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . . . .	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . . . . <i>If "Yes," attach the statement required by General Instruction T.</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? . . . . .	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► DE, KS,		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If "No," attach explanation</i> . . . . .	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV.</i> . . . . .		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i> . . . . .		X

**Part VII-A Statements Regarding Activities (continued)**

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11	Yes	No X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	13	X	
14	The books are in care of ▶ ROBERT HEATON Telephone no. ▶ 703-875-1658 Located at ▶ 1320 NORTH COURTHOUSE ROAD STE 500 ARLINGTON, VA ZIP+4 ▶ 22201			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here . . . . . ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year . . . . . ▶ 15			
16	At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? . . . . . See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶	16	Yes	No X

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required****File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.**

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did <b>any</b> of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? . . . . . <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here . . . . . ▶ <input type="checkbox"/>	1b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016? . . . . .	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ , , ,		
b Are there any years listed in 2a for which the foundation is <b>not</b> applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to <b>all</b> years listed, answer "No" and attach statement - see instructions.) . . . . .	2b	
c If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here. ▶ , , ,		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2016 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2016.) . . . . .	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?	4b	X

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**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required** (continued)

- 5a** During the year did the foundation pay or incur any amount to:
- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions). ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No
- b** If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ No  
Organizations relying on a current notice regarding disaster assistance check here ☐
- c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No  
If "Yes," attach the statement required by Regulations section 53.4945-5(d).
- 6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No  
If "Yes" to 6b, file Form 8870.
- 7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No
- b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No

**5b****6b****7b****Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ATCH 9		0.	0.	0.

**2 Compensation of five highest-paid employees (other than those included on line 1 - see instructions). If none, enter "NONE."**

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

**Total** number of other employees paid over \$50,000. ☐Form **990-PF** (2016)

**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services . . . . . ▶

**Part IX-A** Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
<b>1</b> N/A	
<b>2</b>	
<b>3</b>	
<b>4</b>	

**Part IX-B** Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
<b>1</b> NONE	
<b>2</b>	
All other program-related investments. See instructions.	
<b>3</b> NONE	
<b>Total.</b> Add lines 1 through 3 . . . . . ▶	

Form **990-PF** (2016)

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities . . . . .	<b>1a</b>	13,084,966.
<b>b</b>	Average of monthly cash balances . . . . .	<b>1b</b>	1,408,724.
<b>c</b>	Fair market value of all other assets (see instructions). . . . .	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c) . . . . .	<b>1d</b>	14,493,690.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . . . <b>1e</b>		
<b>2</b>	Acquisition indebtedness applicable to line 1 assets . . . . .	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d . . . . .	<b>3</b>	14,493,690.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions). . . . .	<b>4</b>	217,405.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4 . . . . .	<b>5</b>	14,276,285.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5 . . . . .	<b>6</b>	713,814.

**Part XI Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

<b>1</b>	Minimum investment return from Part X, line 6 . . . . .	<b>1</b>	713,814.
<b>2a</b>	Tax on investment income for 2016 from Part VI, line 5 . . . . . <b>2a</b>		9,739.
<b>b</b>	Income tax for 2016. (This does not include the tax from Part VI.) . . . . . <b>2b</b>		
<b>c</b>	Add lines 2a and 2b . . . . .	<b>2c</b>	9,739.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1 . . . . .	<b>3</b>	704,075.
<b>4</b>	Recoveries of amounts treated as qualifying distributions . . . . .	<b>4</b>	
<b>5</b>	Add lines 3 and 4 . . . . .	<b>5</b>	704,075.
<b>6</b>	Deduction from distributable amount (see instructions). . . . .	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1. . . . .	<b>7</b>	704,075.

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26 . . . . .	<b>1a</b>	7,287.
<b>b</b>	Program-related investments - total from Part IX-B . . . . .	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes . . . . .	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required) . . . . .	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule) . . . . .	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4 . . . . .	<b>4</b>	7,287.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions) . . . . .	<b>5</b>	0.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4 . . . . .	<b>6</b>	7,287.

**Note:** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.



**Part XIII Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
<b>1</b> Distributable amount for 2016 from Part XI, line 7 . . . . .				704,075.
<b>2</b> Undistributed income, if any, as of the end of 2016:				
<b>a</b> Enter amount for 2015 only. . . . .				
<b>b</b> Total for prior years: 20 <u>14</u> , 20 <u>13</u> , 20 <u>12</u> . . . . .				
<b>3</b> Excess distributions carryover, if any, to 2016:				
<b>a</b> From 2011 . . . . .				
<b>b</b> From 2012 . . . . .				
<b>c</b> From 2013 . . . . .				1,752,754.
<b>d</b> From 2014 . . . . .				
<b>e</b> From 2015 . . . . .				4,350,771.
<b>f</b> <b>Total</b> of lines 3a through e . . . . .	6,103,525.			
<b>4</b> Qualifying distributions for 2016 from Part XII, line 4: ► \$ <u>7,287.</u>				
<b>a</b> Applied to 2015, but not more than line 2a . . . . .				
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions). . . . .				
<b>c</b> Treated as distributions out of corpus (Election required - see instructions) . . . . .				
<b>d</b> Applied to 2016 distributable amount. . . . .				7,287.
<b>e</b> Remaining amount distributed out of corpus. . . . .				
<b>5</b> Excess distributions carryover applied to 2016 . . . . . (If an amount appears in column (d), the same amount must be shown in column (a).)	696,788.			696,788.
<b>6</b> <b>Enter the net total of each column as indicated below:</b>				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 . . . . .	5,406,737.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b. . . . .				
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .				
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions . . . . .				
<b>e</b> Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instructions . . . . .				
<b>f</b> Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017. . . . .				
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions) . . . . .				
<b>8</b> Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions) . . . . .				
<b>9</b> <b>Excess distributions carryover to 2017.</b> Subtract lines 7 and 8 from line 6a . . . . .	5,406,737.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2012 . . . . .				
<b>b</b> Excess from 2013 . . . . .				1,055,966.
<b>c</b> Excess from 2014 . . . . .				
<b>d</b> Excess from 2015 . . . . .				4,350,771.
<b>e</b> Excess from 2016 . . . . .				

**Part XIV Private Operating Foundations** (see instructions and Part VII-A, question 9)

NOT APPLICABLE

**1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling . . . . . ▶

**b** Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
<b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon:					
<b>a</b> "Assets" alternative test - enter:					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
<b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
<b>c</b> "Support" alternative test - enter:					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
<b>(3)</b> Largest amount of support from an exempt organization . . . . .					
<b>(4)</b> Gross investment income . . . . .					

**Part XV Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see instructions.)**1 Information Regarding Foundation Managers:**

**a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

N/A

**b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

N/A

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

**a** The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:

**b** The form in which applications should be submitted and information and materials they should include:

**c** Any submission deadlines:

**d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

**Part XV** Supplementary Information *(continued)***3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a</b> Paid during the year				
<b>Total</b> . . . . .			<b>3a</b>	
<b>b</b> Approved for future payment				
<b>Total</b> . . . . .			<b>3b</b>	

Enter gross amounts unless otherwise indicated.

Part XVI-B	Relationship of Activities to the Accomplishment of Exempt Purposes
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## Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- |          |  |              |            |           |
|----------|--|--------------|------------|-----------|
| <b>1</b> | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?  |              | <b>Yes</b> | <b>No</b> |
| <b>a</b> | Transfers from the reporting foundation to a noncharitable exempt organization of:   |              |            |           |
| (1)      | Cash . . . . .   | <b>1a(1)</b> |            | X         |
| (2)      | Other assets. . . . .  | <b>1a(2)</b> |            | X         |
| <b>b</b> | Other transactions:  |              |            |           |
| (1)      | Sales of assets to a noncharitable exempt organization. . . . .  | <b>1b(1)</b> |            | X         |
| (2)      | Purchases of assets from a noncharitable exempt organization. . . . .  | <b>1b(2)</b> |            | X         |
| (3)      | Rental of facilities, equipment, or other assets . . . . .   | <b>1b(3)</b> |            | X         |
| (4)      | Reimbursement arrangements . . . . .   | <b>1b(4)</b> |            | X         |
| (5)      | Loans or loan guarantees. . . . .  | <b>1b(5)</b> |            | X         |
| (6)      | Performance of services or membership or fundraising solicitations . . . . .   | <b>1b(6)</b> |            | X         |
| <b>c</b> | Sharing of facilities, equipment, mailing lists, other assets, or paid employees . . . . .   | <b>1c</b>    |            | X         |
| <b>d</b> | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. |              |            |           |

[illegible]

**2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

**b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.



11/15/2017

Secretary

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

**Paid  
Preparer  
Use Only**

Print/Type preparer's name
----------------------------

STEVEN L WEBB

Preparer's signature

Date

Check		if	PTIN
-------	--	----	------

self-employed P00235405

Firm's name ▶ BKD, LLP

Firm's EIN ▶ 44-0160260

Firm's address	▶ 1551 N WATERFRONT PKWY, STE 300 WICHITA, KS
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67206-6601

Phone no 316-265-2811

Form **990-PF** (2016)

FORM 990-PF - PART IV

CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
409,049.		EFPRP INVESTMENTS - PASS-THRU ENTITY					409,049.	
TOTAL GAIN(LOSS) .....							<u>409,049.</u>	

FORM 990PF, PART I - OTHER INCOME

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
EFPRP INVESTMENTS - OTHER INCOME	244,720.	12,544.
EFPRP INVESTMENTS - TAX EXEMPT INCOME	39.	
EFPRP INVESTMENTS - UNRELATED INCOME	16,012.	
TOTALS	<u>260,771.</u>	<u>12,544.</u>

FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
TAX PREPARATION FEES	10,215.			3,783.
TOTALS	<u>10,215.</u>			<u>3,783.</u>



FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>CHARITABLE PURPOSES</u>
INVESTMENT MGMT FEES	39,645.	39,645.	
CORP FILING	40.		40.
TOTALS	<u>39,685.</u>	<u>39,645.</u>	<u>40.</u>

FORM 990PF, PART I - INTEREST EXPENSE

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
EFPRP INV - INV INT EXPENSE	36,215.	36,215.
TOTALS	<u>36,215.</u>	<u>36,215.</u>

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
EFPRP INV - FOREIGN TAXES	2,493.	2,493.
TOTALS	<u>2,493.</u>	<u>2,493.</u>

FORM 990PF, PART I - OTHER EXPENSES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>CHARITABLE PURPOSES</u>
INSURANCE	445.		445.
BANK FEES	3,019.		3,019.
OTHER EXPENSES	377.		
EFPRP - NON-INV EXPENSE	70,110.		
EFPRP - INVESTMENT EXPENSE	47,681.	47,681.	
TOTALS	<u>121,632.</u>	<u>47,681.</u>	<u>3,464.</u>

FORM 990PF, PART II - OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
GLEACHER DIVERSIFIED FUND	23,109.	9,092.	16,388.
EFPRP	11,321,801.	12,025,203.	12,862,993.
TOTALS	<u>11,344,910.</u>	<u>12,034,295.</u>	<u>12,879,381.</u>

ATTACHMENT 8FORM 990PF, PART II - OTHER ASSETS

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
PREPAID EXCISE TAX	19,644.	19,644.	19,644.
TOTALS	<u>19,644.</u>	<u>19,644.</u>	<u>19,644.</u>

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 9

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
RICHARD H. FINK 1320 N. COURTHOUSE RD, SUITE 500 ARLINGTON, VA 22201	PRESIDENT/DIRECTOR 1.00	0.		
DUSTIN PERRY 4111 E 37TH STREET NORTH WICHITA, KS 67220	SECRETARY/TREASURER 1.00	0.		
CHARLES G. KOCH 4111 E 37TH STREET NORTH WICHITA, KS 67220	DIRECTOR .25	0.		
ELIZABETH B. KOCH 4111 E 37TH STREET NORTH WICHITA, KS 67220	DIRECTOR .25	0.		
CHARLES C. KOCH 4111 E 37TH STREET NORTH WICHITA, KS 67220	DIRECTOR .25	0.		
GUY BARKWILL 4111 E 37TH STREET NORTH WICHITA, KS 67220	SECRETARY/TREASURER 1.00	0.		
	GRAND TOTALS	<u>0.</u>	<u>0.</u>	<u>0.</u>

FORM 990-PF, PART XVI-A - ANALYSIS OF OTHER REVENUEATTACHMENT 10

<u>DESCRIPTION</u>	<u>BUSINESS CODE</u>	<u>AMOUNT</u>	<u>EXCLUSION CODE</u>	<u>AMOUNT</u>	<u>RELATED OR EXEMPT FUNCTION INCOME</u>
EFPRP - OTHER INVESTMENT INCOME/(LOSS)			18	244,720.	
EFPRP - UNRELATED BUSINESS INCOME	523000	16,012.			
TOTALS		<u>16,012.</u>		<u>244,720.</u>	



Form **990-T****Exempt Organization Business Income Tax Return**  
**(and proxy tax under section 6033(e))**

OMB No. 1545-0687

**2016**Department of the Treasury  
Internal Revenue Service

For calendar year 2016 or other tax year beginning \_\_\_\_\_, 2016, and ending \_\_\_\_\_, 20\_\_\_\_.

▶ Information about Form 990-T and its instructions is available at [www.irs.gov/form990t](http://www.irs.gov/form990t).

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for  
501(c)(3) Organizations Only

<b>A</b> <input type="checkbox"/> Check box if address changed	<b>Print or Type</b>	Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.)	<b>D Employer identification number</b> (Employees' trust, see instructions.)
<b>B</b> Exempt under section		KNOWLEDGE AND PROGRESS FUND, INC.	54-1899251
<input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)		Number, street, and room or suite no. If a P.O. box, see instructions.  1320 NORTH COURTHOUSE ROAD, STE 500	<b>E Unrelated business activity codes</b> (See instructions.)
<b>C</b> Book value of all assets at end of year		City or town, state or province, country, and ZIP or foreign postal code ARLINGTON, VA 22201	523000
13,453,900.		<b>F</b> Group exemption number (See instructions.) ▶	
<b>G</b> Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust			

**H** Describe the organization's primary unrelated business activity. ▶ **PARTNERSHIP INCOME FROM K-1****I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . . . ▶ ☐ Yes ☒ No  
If "Yes," enter the name and identifying number of the parent corporation. ▶**J** The books are in care of ▶ **ROBERT HEATON** Telephone number ▶ **703-875-1658**

<b>Part I Unrelated Trade or Business Income</b>				(A) Income	(B) Expenses	(C) Net
<b>1a</b> Gross receipts or sales						
<b>b</b> Less returns and allowances		<b>c</b> Balance ▶	<b>1c</b>			
<b>2</b> Cost of goods sold (Schedule A, line 7) . . . . .			<b>2</b>			
<b>3</b> Gross profit. Subtract line 2 from line 1c . . . . .			<b>3</b>			
<b>4a</b> Capital gain net income (attach Schedule D) . . . . .			<b>4a</b>			
<b>b</b> Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) . .			<b>4b</b>			
<b>c</b> Capital loss deduction for trusts . . . . .			<b>4c</b>			
<b>5</b> Income (loss) from partnerships and S corporations (attach statement)			<b>5</b>	16,012.	ATCH 1	16,012.
<b>6</b> Rent income (Schedule C) . . . . .			<b>6</b>			
<b>7</b> Unrelated debt-financed income (Schedule E) . . . . .			<b>7</b>			
<b>8</b> Interest, annuities, royalties, and rents from controlled organizations (Schedule F)			<b>8</b>			
<b>9</b> Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			<b>9</b>			
<b>10</b> Exploited exempt activity income (Schedule I) . . . . .			<b>10</b>			
<b>11</b> Advertising income (Schedule J) . . . . .			<b>11</b>			
<b>12</b> Other income (See instructions; attach schedule) . . . . .			<b>12</b>			
<b>13</b> <b>Total.</b> Combine lines 3 through 12 . . . . .			<b>13</b>	16,012.		16,012.

**Part II Deductions Not Taken Elsewhere** (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

<b>14</b> Compensation of officers, directors, and trustees (Schedule K) . . . . .	<b>14</b>	
<b>15</b> Salaries and wages . . . . .	<b>15</b>	
<b>16</b> Repairs and maintenance . . . . .	<b>16</b>	
<b>17</b> Bad debts . . . . .	<b>17</b>	
<b>18</b> Interest (attach schedule) . . . . .	<b>18</b>	
<b>19</b> Taxes and licenses . . . . .	<b>19</b>	
<b>20</b> Charitable contributions (See instructions for limitation rules) . . . . .	<b>20</b>	
<b>21</b> Depreciation (attach Form 4562) . . . . .	<b>21</b>	
<b>22</b> Less depreciation claimed on Schedule A and elsewhere on return . . . . .	<b>22a</b>	<b>22b</b>
<b>23</b> Depletion . . . . .	<b>23</b>	
<b>24</b> Contributions to deferred compensation plans . . . . .	<b>24</b>	
<b>25</b> Employee benefit programs . . . . .	<b>25</b>	
<b>26</b> Excess exempt expenses (Schedule I) . . . . .	<b>26</b>	
<b>27</b> Excess readership costs (Schedule J) . . . . .	<b>27</b>	
<b>28</b> Other deductions (attach schedule) . . . . . ATTACHMENT 2	<b>28</b>	1,022.
<b>29</b> <b>Total deductions.</b> Add lines 14 through 28 . . . . .	<b>29</b>	1,022.
<b>30</b> Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	<b>30</b>	14,990.
<b>31</b> Net operating loss deduction (limited to the amount on line 30) . . . . .	<b>31</b>	14,990.
<b>32</b> Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	<b>32</b>	
<b>33</b> Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions) . . . . .	<b>33</b>	1,000.
<b>34</b> <b>Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32 . . . . .	<b>34</b>	0.

For Paperwork Reduction Act Notice, see instructions.

Form **990-T** (2016)

**Part III Tax Computation**

<b>35 Organizations Taxable as Corporations.</b> See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and:	
<b>a</b> Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____	
<b>b</b> Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) . . . . . \$ _____ (2) Additional 3% tax (not more than \$100,000) . . . . . \$ _____	
<b>c</b> Income tax on the amount on line 34. . . . . <b>35c</b>	
<b>36 Trusts Taxable at Trust Rates.</b> See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041). . . . . <b>36</b>	
<b>37 Proxy tax.</b> See instructions . . . . . <b>37</b>	
<b>38 Alternative minimum tax</b> . . . . . <b>38</b>	
<b>39 Tax on Non-Compliant Facility Income.</b> See instructions . . . . . <b>39</b>	
<b>40 Total.</b> Add lines 37, 38 and 39 to line 35c or 36, whichever applies. . . . . <b>40</b>	

**Part IV Tax and Payments**

<b>41 a</b> Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116). . . . . <b>41a</b>	
<b>b</b> Other credits (see instructions). . . . . <b>41b</b>	
<b>c</b> General business credit. Attach Form 3800 (see instructions) . . . . . <b>41c</b>	
<b>d</b> Credit for prior year minimum tax (attach Form 8801 or 8827). . . . . <b>41d</b>	
<b>e Total credits.</b> Add lines 41a through 41d . . . . . <b>41e</b>	
<b>42</b> Subtract line 41e from line 40. . . . . <b>42</b>	
<b>43</b> Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule) . . . . . <b>43</b>	
<b>44 Total tax.</b> Add lines 42 and 43. . . . . <b>44</b> 0.	
<b>45 a</b> Payments: A 2015 overpayment credited to 2016 . . . . . <b>45a</b>	
<b>b</b> 2016 estimated tax payments . . . . . <b>45b</b>	
<b>c</b> Tax deposited with Form 8868. . . . . <b>45c</b>	
<b>d</b> Foreign organizations: Tax paid or withheld at source (see instructions) . . . . . <b>45d</b>	
<b>e</b> Backup withholding (see instructions) . . . . . <b>45e</b>	
<b>f</b> Credit for small employer health insurance premiums (Attach Form 8941) . . . . . <b>45f</b>	
<b>g</b> Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other _____ Total <b>45g</b>	
<b>46 Total payments.</b> Add lines 45a through 45g . . . . . <b>46</b>	
<b>47</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached. . . . . <b>47</b>	
<b>48 Tax due.</b> If line 46 is less than the total of lines 44 and 47, enter amount owed . . . . . <b>48</b>	
<b>49 Overpayment.</b> If line 46 is larger than the total of lines 44 and 47, enter amount overpaid . . . . . <b>49</b>	
<b>50</b> Enter the amount of line 49 you want: <b>Credited to 2017 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/> <b>50</b>	

**Part V Statements Regarding Certain Activities and Other Information** (see instructions)

<b>51</b> At any time during the 2016 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here <input type="checkbox"/>	Yes	No
		X
<b>52</b> During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? . . . . . If YES, see instructions for other forms the organization may have to file.		X
<b>53</b> Enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> \$		

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	Signature of officer	Date 11/15/2017	Title
<b>Paid Preparer Use Only</b>	Print/Type preparer's name STEVEN L WEBB	Preparer's signature	Date
	Firm's name <input type="checkbox"/> BKD, LLP	Check <input type="checkbox"/> if self-employed	
	Firm's address <input type="checkbox"/> 1551 N WATERFRONT PKWY, STE 300, WICHITA, KS 67206-6601	Firm's EIN <input type="checkbox"/> 44-0160260	
		Phone no. 316-265-2811	

May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
---

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation ►

<b>1</b> Inventory at beginning of year . . . . .	<b>1</b>		<b>6</b> Inventory at end of year . . . . .	<b>6</b>	
<b>2</b> Purchases . . . . .	<b>2</b>		<b>7</b> <b>Cost of goods sold.</b> Subtract line 6 from line 5. Enter here and in Part I, line 2 . . . . .	<b>7</b>	
<b>3</b> Cost of labor . . . . .	<b>3</b>		<b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? . . . . .	<b>Yes</b>	<b>No</b>
<b>4a</b> Additional section 263A costs (attach schedule) . . . . .	<b>4a</b>				
<b>b</b> Other costs (attach schedule) . . . . .	<b>4b</b>				
<b>5</b> <b>Total.</b> Add lines 1 through 4b . . . . .	<b>5</b>				X

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)**

(see instructions)

**1. Description of property**

(1)
(2)
(3)
(4)

**2. Rent received or accrued**

<b>(a)</b> From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	<b>(b)</b> From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	<b>3(a)</b> Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	

**(c) Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . . . ►**(b) Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ►**Schedule E - Unrelated Debt-Financed Income** (see instructions)

<b>1. Description of debt-financed property</b>		<b>2. Gross income from or allocable to debt-financed property</b>	<b>3. Deductions directly connected with or allocable to debt-financed property</b>	
			<b>(a)</b> Straight line depreciation (attach schedule)	<b>(b)</b> Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
<b>4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)</b>	<b>5. Average adjusted basis of or allocable to debt-financed property (attach schedule)</b>	<b>6. Column 4 divided by column 5</b>	<b>7. Gross income reportable (column 2 x column 6)</b>	<b>8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))</b>
(1)		%		
(2)		%		
(3)		%		
(4)		%		
<b>Totals</b> . . . . . ►			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
<b>Total dividends-received deductions</b> included in column 8 . . . . . ►				

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations** (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

**Nonexempt Controlled Organizations**

7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).

**Totals** .....**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization** (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

**Totals** .....**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income** (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.

**Totals** .....**Schedule J - Advertising Income** (see instructions)**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						

**Totals** (carry to Part II, line (5)) ..

**Part II** **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I.</b> . . . . . ▶						
	Enter here and on page 1, Part I, line 11, col (A).	Enter here and on page 1, Part I, line 11, col (B).				Enter here and on page 1, Part II, line 27.
<b>Totals, Part II (lines 1-5)</b> . . . . . ▶						

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2) <b>ATCH 3</b>		%	
(3)		%	
(4)		%	
<b>Total.</b> Enter here and on page 1, Part II, line 14 . . . . . ▶			

Form **990-T** (2016)

FORM 990T - LINE 5 -INCOME (LOSS) FROM PARTNERSHIPS

NET ORDINARY INCOME - EFPRP INVESTMENTS K-1	16,012.
INCOME (LOSS) FROM PARTNERSHIPS	<u>16,012.</u>

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

ACCOUNTING FEES	1,022.
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PART II - LINE 28 - OTHER DEDUCTIONS	<u>1,022.</u>
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SCHD. K, FORM 990-T, COMPENSATION OF OFFICERS, DIRECTORS, & TRUSTEES

<u>NAME AND ADDRESS</u>	<u>TITLE</u>	<u>BUSINESS PERCENT</u>	<u>COMPENSATION</u>
RICHARD H. FINK 1320 N. COURTHOUSE RD, SUITE 500 ARLINGTON, VA 22201	PRESIDENT/DIRECTOR	0	0.
DUSTIN PERRY 4111 E 37TH STREET NORTH WICHITA, KS 67220	SECRETARY/TREASURER	0	0.
CHARLES G. KOCH 4111 E 37TH STREET NORTH WICHITA, KS 67220	DIRECTOR	0	0.
ELIZABETH B. KOCH 4111 E 37TH STREET NORTH WICHITA, KS 67220	DIRECTOR	0	0.
CHARLES C. KOCH 4111 E 37TH STREET NORTH WICHITA, KS 67220	DIRECTOR	0	0.
GUY BARKWILL 4111 E 37TH STREET NORTH WICHITA, KS 67220	SECRETARY/TREASURER	0	0.
TOTAL COMPENSATION			<u>0.</u>



Knowledge and Progress Fund, Inc.  
Form 990-T, Line 31 - Net Operating Loss Deduction  
Tax Year: 12/31/2016

EIN: 54-1899251

**NET OPERATING LOSS DEDUCTION**

<b>Loss Year Ending</b>	<b>NOL Generated</b>	<b>Loss Previously used</b>	<b>Loss Available</b>
12/31/2014	(339)	-	(339)
12/31/2015	(28,985)	-	<u>(28,985)</u>
Net Operating Loss Available			(29,324)
Net Operating Loss Deduction (Limited to Taxable Income) - 12/31/2016			<u>14,990</u>
Net Operating Loss Carryforward to 12/31/2017			<u>(14,334)</u>

Net Operating Losses were generated from unrelated business losses that were pass-through to the organization from investments reported on Schedule K-1, Line 20V.